



National E-waste Product Stewardship Scheme Local Government Proposal

Background to this Submission

Through the National Waste Policy, the Commonwealth Government has made a commitment to put in place product stewardship schemes by 2012 to 'provide for the impacts of a product being responsibly managed during and at end of life' (2009, p. 9). The disposal of e-waste has been identified as a key issue, and therefore, will be the subject of a national product stewardship scheme. Discussions have already begun in regards to the shape this scheme may take.

The Municipal Waste Advisory Council (MWAC) has a representative on the Stakeholder Reference Group for the Product Stewardship Scheme Implementation Working Group. MWAC would like to take this opportunity to present an outline of how Western Australian (WA) Local Governments would expect to see the National Product Stewardship Scheme apply in WA. This paper presents an outline of the key components that Local Governments expect to see in an e-waste scheme, as well as highlighting the specific issues which have been associated with past product stewardship schemes.

Key Recommendations

WA Local Governments support the Extended Producer Responsibility approach. There are, however, three key areas that Local Governments expect will be covered in the development of the National Schemes:

Key Recommendation 1: That the National E-waste Product Stewardship Scheme has a clear aim, sets tangible targets and clearly defines the roles and responsibilities of each stakeholder group.

Key Recommendation 2: Due to Local Governments current involvement in e-waste collection, the Commonwealth Government involves Local Government in negotiations regarding the content and promotion of the National E-waste Product Stewardship Scheme.

Key Recommendation 3: That the Commonwealth Government provide a long-term commitment to the National E-waste Product Stewardship Scheme.

Current Role of Local Government

The current role Local Government in the collection and disposal of e-waste is a significant one. In WA some Local Governments and Regional Councils are collecting e-waste. The cost to collect and then recycle this material is substantial. One example is the City of Bunbury, a regional centre (16,564 households, population 32,841 and an area of 61.2 km²). The City of Bunbury has

identified community concern and the increase in electronic waste as the drivers behind the need to provide a service for e-waste recycling. The City is currently collecting approximately one sea container full of e-waste every three weeks (85 tonnes per year); at a cost of \$52,000 per annum. This cost is for recycling only and does not include the staff time and associated costs for the Local Government.

In a survey of eight Local Government and Regional Council owned facilities in the Perth Metropolitan area covering the six months preceding May 2010, highlighted the significant costs to Local Government for the collection and recycling of this material is high.

In just six months, metropolitan Local Governments and Regional Councils collected almost 250 tonnes of e-waste, with a cost to recycle this material to Local Governments of over \$200,000. The majority of these collections were not advertised, indicating the interest and expectation from the community for the role of Local Government in collecting this material. The recycling costs does not include the staffing costs of Local Government officers for the segregation/sorting of these materials.

Local Governments and Regional Councils have also hosted the Apple e-waste collections. In 2010, the Apple funded collection days collected approximately 210 tonnes of material – in 2 days at eight sites around the metropolitan area. For this event Local Governments and Regional Councils provided the sites and funding for promotion (approximately \$45,000).

Future Role of Local Government

There is an expectation from the community that Local Government will collect e-waste. It is of concern to Local Government that there may be an expectation from Commonwealth and State Governments that Local Government will continue to be the sole provider of e-waste collections.

For Local Government to collect e-waste there are significant costs and impacts, not only the costs to recycle material but the staff time and site space to undertake the collections. Large increases in tonnages would effect the management of collection sites. Local Government may not, within their current arrangements, be able to manage substantial increases in tonnage of e-waste.

Product Stewardship implies that industry will take a greater role in the management of e-waste. It is Local Governments expectation that industry will take a role in not only funding the recycling of e-waste but involvement in (and funding) the collection of the material.

Therefore, Local Government has a strong expectation that there will be negotiations over the identification of parties responsible for each aspect of the Scheme, as well as the structure and funding for the Scheme. For example, negotiation on the use of Local Government sites for collection, cost recovery for Local Government collection sites, promotion strategies and activities and identification of other collection sites (industry run).

Local Governments have also identified that there has to be a firm and long term commitment to the Product Stewardship scheme. There will be a substantial impact on Local Government if the Scheme is stopped. Especially when the expectations of, and therefore the material from, the community has increased in regards to the collection and disposal of e-waste.

Principles of Extended Producer Responsibility

The WALGA Policy Statement on Extended Producer Responsibility outlines Local Government's support for the Extended Producer Responsibility approach 'as an important part of achieving the vision of a zero waste society. Local Government considers that the Extended Producer Responsibility approach can provide effective tools to advance the key outcomes required by this vision. Local Government considers that these key outcomes are:

- Clear, sensible and effective designations of responsibility for the management of lifecycle impacts of products
- Improved valuation, pricing and incentive mechanisms
- Greater investment in infrastructure and research and development
- Greater transparency and accountability.

In its role as a service provider, Local Government will assess proposed Extended Producer Responsibility schemes with reference to the following criteria':

- Reflect appropriate priorities
- Set clear objectives and targets
- Establish clear responsibilities
- Can be implemented in a timely fashion
- Apportion costs appropriately
- Give due consideration to the specific characteristics of the waste or product type
- Support claims with reference to credible evidence.

Local Government expects that an Extended Producer Responsibility scheme for e-waste will include:

- *A clear aim with regards to what the Scheme is proposing to achieve.*
For example, is the aim to achieve recovery rate targets across the country or in selected areas? What materials will be included in the recovery rate? Are there aims regarding energy efficiency, pollution mitigation, reduction in hazardous materials to landfill, resource efficiency etc?
- *Negotiation with Local Government.*
It cannot be assumed that Local Governments have the capacity to continue to be the only collection point for material, or that Local Governments will start collecting material. The sector also expects to be consulted in regards to the distribution of responsibility for collection and disposal.
- *A long-term commitment to the Scheme from the State and Commonwealth Governments.*
Long-term and/or ongoing funding will ensure guaranteed collection. This commitment will also address the concern from the sector that, once the Scheme (and therefore funding) ceases operation Local Governments will be caught paying for the collection of increased e-waste.
- *Community engagement.*
There is an expectation that the Scheme will involve community education as well as promotion. Community engagement will go some way to ensure that the public will consider the implications of e-waste.

- *No net cost to Local Government.*
The current cost to Local Government for the collection of e-waste is already significant. There is an expectation that the funding for all existing and new programs will be adequately covered by the Scheme and operational costs will also be covered. This is of particular relevance when it is expected that the amount of collected material will increase as a result of the Scheme. In addition, it is expected that the Scheme will provide support for new collection infrastructure.

Risks

Local Government supports the Extended Producer Responsibility approach, however, the sector recommends that the Scheme clearly outlines responsibilities, particularly in regards to the running, administering and collecting funding for the Scheme. The following examples highlight a number of issues that can occur with poorly defined product stewardship schemes, in particular, the risks associated with schemes that are not supported fully and inadequately designed.

Product Stewardship for Used Oil Scheme

Experience with existing product stewardship schemes, such as the Product Stewardship for Used Oil (PSO) Scheme, indicates that problems can arise when producers do not have a practical interest in the material collected through a scheme, where governments are in the position of being 'responsible' for the disposal of this waste and where there is a limited market for materials.

Local Governments are concerned that the product stewardship philosophy does not adequately resolve the issue of shared responsibility for product disposal. For example, in the case of the PSO, it is assumed that Local Government will be responsible for the disposal of products. This approach does not provide compelling drivers for significant change in producer or consumer behaviour. For example, if producers take some responsibility for their products at end-of-life, they acquire a direct incentive to maximise the ease and affordability of discharging that responsibility.

The current PSO arrangements have lead to a situation in WA where market failure has occurred in regards to used oil. Oil recovery has increased, however, with no market development or responsible industry, Local Government has been left with increasing stockpiles of oil and no methods of disposal. Currently Local Governments are paying for the recycling of used motor oil. This situation is not the case in other states, where sufficient volumes and market options mean free collection has continued.

DrumMUSTER

DrumMUSTER is an industry-run scheme where the collection and recycling of the material is organised by industry (and the material collected at Local Government sites). As industry runs the scheme, responsibility lies with them to organise the recycling and ensure that this occurs.

Concluding Points

Local Governments expect that the Scheme will be guided by a clear aim that will outline what the Scheme is attempting to achieve, as well as what areas will be covered. Local Government plays a significant role in the collection and disposal of e-waste. There is a concern, however, that Commonwealth and State Governments may assume that Local Governments will continue to collect this material, without consideration for the potential impacts on Local Governments.

Local Governments expect that the Commonwealth Government and industry will negotiate with Local Government in regards to the role it plays in the collection of this waste, rather than assuming that they will carry out this task. Local Governments support a scheme driven by industry, and expect that their role in the scheme be determined through negotiation, rather than by default.

There are also considerable risks to the success of the Scheme if the aim and the responsible parties are not clearly defined, as seen in the case of the Product Stewardship for Used Oil (PSO) Scheme, where it is product disposal is left entirely to market forces. The markets for the products collected through the scheme need to be considered. Industry cannot assume that the market for products will be the same nation wide or over time. The recent Global Financial Crisis had a significant impact on the recycling market for many products. Contingency planning and risk management for the end markets for products need to be carefully considered as this presents a sizeable risk to the Scheme.

There is also an expectation from the sector that a long-term commitment from the Commonwealth Government in regards to the running of the Scheme is given to ensure that Local Governments are not left without funding or support when the Scheme ends. This is of particular concern when there is an expectation that the Scheme will result in an increase in material collected.

Currently, Local Governments are paying significant amounts in order to provide an e-waste collection and recycling service for their residents. Local Governments expect that, under a product stewardship scheme, these costs will be covered.

References

Environment Protection and Heritage Council 2009, *National Waste Policy: Less waste, more resources*. Commonwealth Government of Australia.